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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

2 August 1988

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM: Charles E. Allen  
National Intelligence Officer for Warning

SUBJECT: Highlights of Monthly Warning Reports for June 1988

Herewith are summaries of key warning issues compiled by the NIO for Warning from the monthly Intelligence Community meetings conducted by the NIOs in June. The judgments expressed are those of the Community unless otherwise noted. The NIOs' complete reports are attached.

USSR

It is too early to draw any final conclusions about the impact of the Soviet party conference, but there are sharply divergent views on the implications of the conference:

- o Most Community analysts believe Gorbachev emerged a net winner from the meeting, with his authority enhanced and his reform agenda likely to accelerate in the months ahead.
- o Other analysts continue to believe Gorbachev is effectively stalemated by conservatives in the leadership, and doubt if the conference will prove to have lasting impact in the long run.

Whether this party conference proves to be a watershed event will depend on subsequent developments on two fronts:

- o If the conference's promises of movement are not followed up relatively quickly with more specific steps, whatever boost Gorbachev has received from the proceedings will not last long.
- o More leadership change in the party's leading bodies will also be necessary if the reforms sanctioned in the conference resolutions are to be effectively implemented.

NATO/Warsaw Pact

- o Moscow's chief aim at the Conventional Stability Talks--expected to open in Vienna as early as this fall--will be to achieve further "denuclearization" of NATO defenses, this time through reductions of US dual-capable aircraft.

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Angola/Cuba/South Africa

- o Cuban motives remain unclear, and Pretoria may be of two minds on how to respond to the Cuban military buildup.
- o The NIO for Warning believes that Fidel Castro is intent on forcing South Africa from Angola and Namibia, both through negotiations and by decisive military action.

Iran/Iraq

- o The Intelligence Community agrees that the Iraqis perceive chemical weapons to be an effective adjunct to their overall tactical operations.
- o Iraq has improved significantly its ability to use chemical weapons over the past five years.

Pakistan

President Zia's dismissal of the Junejo government is a serious setback for democracy in Pakistan.

- o Over the long term Zia could face serious problems if the Afghan refugees remain in Pakistan, the economy falters, and elections favor the opposition.

Nicaragua

Clashes between the insurgents and Sandinista forces continue slowly to increase.

- o If talks break down completely, the Sandinistas would likely launch an offensive against Resistance units inside Nicaragua.
- o For their part, the insurgents lack consensus on political strategy and have only 4,000 to 5,000 troops inside Nicaragua.

Panama

The sanctions are harming Noriega's opponents more than his supporters. For Havana and Managua, support for Noriega offers major opportunities to:

- o Strengthen a regional leader who will back their own policies in the region.
- o Reduce US influence in Latin America.



Charles E. Allen

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